

# **ANNUAL DISCLOSURE REPORT**

**YEAR ENDING JUNE 30, 2017**

## **CITY OF RIVERSIDE WATER PUBLIC UTILITIES**

**2008 SERIES B WATER REVENUE BONDS  
BONDS DATED MAY 28, 2008**

**CUSIP NUMBERS 769076ST8 Through 769076TG5**

Prepared by  
City of Riverside

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RIVERSIDE PUBLIC UTILITIES  
CONTINUING DISCLOSURE INFORMATION – 2008B WATER BONDS \$58,235,000  
FISCAL YEAR ENDED JUNE 30, 2017

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

1. Enclosed is the City of Riverside CAFR and Water Utility 2016/17 Audited Financial Statements.
2. The principal amount of the 2008B Bonds outstanding at June 30, 2017 was \$56,625,000.
3. The reserve requirement for the 2008B bonds is fully funded by a surety issued by Assured Guaranty Municipal Corp. (AGMC) in an amount not to exceed \$3,940,125.

4. Water System General Statistics

No. of Service Connections	65,428
Annual Water Production	19,457 (millions of gallons)
Production from System Wells	19,457 (millions of gallons)
Peak Daily Distribution	81.2 (millions of gallons per day)
Average Daily Distribution <sup>(1)</sup>	53.7 (millions of gallons per day)

(1) Average Daily Production = Average Daily Distribution

5. Number of Meters

Residential	59,453
Commercial/Industrial	5,640
Other	335
Total - All Classes	<u>65,428</u>

6. Water Sales and Distribution (millions of gallons)

Total Retail Water Sales <sup>(1)</sup>	17,764
Average Daily Distribution	53.7
Maximum Day Distribution	81.2
Average Daily Sales per Meter (Gallons)	744

<sup>(1)</sup> Excludes wholesale sales

7. Summary of Operations and Debt Service Coverage (in thousands)

Operating revenues

Water Sales

Residential \$ 34,994

Commercial 17,869

Other sales 1,764

Water conveyance revenue 4,385

Other operating revenues 2,526

Total operating revenues before uncollectibles 61,538

Estimated uncollectibles, net of bad debt recovery (31)

Total operating revenues, net of uncollectibles \$ 61,507

Investment income \$ 17

Contributions in aid 3,311

Non-Operating revenues 854

Total revenues \$ 65,689

Operating expenses

Field operations \$ 14,692

Production and operations 15,439

Engineering 7,740

Total expenses \$ 37,871

Net Operating Revenues

Available for Debt Service and Depreciation \$ 27,818

Debt Service Requirements on bonds \$ 13,610

Debt Service Coverage 2.04

## CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence during the reporting period of the following significant events with respect to the 2008 WATER REVENUE BONDS, SERIES B \$58,235,000, except that relative to item 6 as previously disclosed and noted below.

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modification to rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasances.
6. Rating Changes -

On July 12, 2016, Standard & Poor's lowered its underlying rating (SPUR) to "AA+" from "AAA" for the City of Riverside's water revenue bonds. Reflecting S&P's revised rating criteria for U.S. Municipal Waterworks and Sanitary Sewer Utility Revenue Bonds, as published in RatingsDirect on Jan. 19, 2016.

On July 22, 2016, Standard & Poor's raised its underlying rating (SPUR) to "AAA" from "AA+" for the City Riverside's water revenue bonds. Reflecting S&P's further clarity on the City's upcoming rate plan and financial forecast.

7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Unscheduled draws on debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. Release, substitution or sale of property securing repayment of the Bonds.